EquiTrust

Annual Report 1977

AR44

EquiTrust

A Special Message From The President

To Our Shareholders

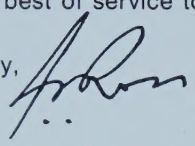
Our annual report this year is a milestone in the history of our Companies, marking the end of an era of fifteen years in which we were formed, shaped and established as an independently owned trust and mortgage loan operation, and the beginning of a new era in which we will continue our independent trust and mortgage loan operations under a new and improved corporate name and symbol.

After considerable thought and discussion, your Directors decided that, because of the continuing and growing confusion of names between our Companies and another trust company bearing a similar name, it would be in the best interests of all concerned to change our corporate name and symbol, and this we have done.

Nothing has changed except our corporate name. Hereafter we will be featuring the above corporate symbol and name for The Equitable Trust Company and for Fidelity Mortgage and Savings Corporation whose name has been changed to Equitrust Mortgage and Savings Company.

A good deal of thought and care has gone into our choice. We are hopeful that it will be acceptable to our shareholders and to the public, and over the years synonymous with good corporate and business practices and the best of service to the public.

Yours faithfully,



President

EquiTrust

Financial Highlights

for the year ended December 31, 1977

The Equitable Trust Company
Equitrust Mortgage and Savings Company

	1977	1976
Assets Owned	$126,221,556	$105,311,234
Estates, Trusts and Agencies Under Administration	34,145,487	26,472,523
Total Assets	160,367,043	131,783,757
Cash and Securities	19,491,055	15,470,340
Mortgages	98,011,879	80,183,389
Deposits, Debentures and Guaranteed Investment Certificates	115,792,719	96,356,388
Operating Income Before Income Taxes	904,660	728,800
Provision for Income Taxes	275,300	264,400
Net Operating Income	629,360	464,400
Net Operating Income — Common Shares	428,310	321,771
Net Operating Income — Per Common Share	$.61	$.46
Loss on Sale of Investments	2,175	3,483
Net Income	626,135	459,953
Net Income — Common Shares	426,135	318,288
Net Income — Per Common Share	$.60	$.45
Dividends — Preference Shares	200,000	141,665
Dividends — Common Shares	166,179	155,571
Dividends — Per Preference Share	$2.50	$1.77
Dividends — Per Common Share	$.235	$.220
Shareholders' Equity	6,488,208	6,228,252

EQUITRUST MORTGAGE AND EQUITABLE TRUST WERE FEDERALLY INCORPORATED BY SPECIAL ACT OF THE PARLIAMENT OF CANADA AND BY LETTERS PATENT RESPECTIVELY, AND EACH IS LICENSED BY THE MINISTER OF FINANCE AND IS UNDER FEDERAL SUPERVISION.

BOTH EQUITRUST MORTGAGE AND EQUITABLE TRUST ARE MEMBERS OF THE CANADA DEPOSIT INSURANCE CORPORATION.

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OFFICERS**

SAM FOSTER ROSS, Q.C.
President

WILLIAM VANALEN HOLTON
Vice-President

WILLIAM ALAN MUIR, C.A.
General Manager

FRED SMYTH PAUL
Assistant General Manager
Mortgage and Property Investments

JAMES NEIL WALTON
Assistant General Manager,
Branches and Administrative Services

CHARLES ANDREW GUNN
Assistant General Manager,
Trust and Personal Services

ALAN JAMES SEAGO, C.A.
Treasurer

W. RICHARD ZIEMSKI, C.A.
Assistant Comptroller

DONALD JOSEPH USSELMAN
Supervisor-Savings and Branches

HUGH STRATHEARN HENDRIE
Secretary

JAMES GRIBBEN MILLIGAN
Assistant Secretary

JOHN MACGREGOR FARIS
Assistant Secretary

DIRECTORS**

* FRANK WILTON BAILLIE, Oakville
President/Lawrence Motors (Davenport) Limited

W. ALLAN CAMPBELL, Q.C., Oakville
Partner/Hamilton, Torrance

‡J. IAN CROOKSTON, Toronto
Deputy Chairman of the Board/Nesbitt Thompson and Company Limited

‡DONALD EDWARD DUNN, C.A., Montreal,
Vice-President—Finance/Henry Birks & Sons Ltd.

HUGH STRATHEARN HENDRIE, Burlington
Secretary

‡* WILLIAM VANALEN HOLTON, Burlington
Chairman of the Board/Glendale Spinning Mills Limited

‡ JAMES ROBERT ALEXANDER LANGS, Hamilton
President/Long Credon Holdings Limited,

WILLIAM ALAN MUIR, C.A., Hamilton
General Manager

STEWART PHILP, Hamilton
Company Director

* MURRAY PROCTOR, Hamilton
President/Murray Proctor Industries Limited,

ANDREWS FOSTER ROSS, Hamilton
Vice-President and General Manager/Fidelity Management Limited

‡* SAM FOSTER ROSS, Q.C., Dundas
Partner/Ross & McBride

HENRY GEORGE THODE, C.C., Ph.D., F.R.S.,
Lynden. Professor of Chemistry/McMaster University

* ROBERT THOMSON, Montreal
Financial Consultant

‡*HENRY JAMES MICHAEL WATSON, Hamilton
Comptroller/The Steel Company of Canada,

*Member of the Executive Committee.

‡Member of the Audit Committee.

**The Directors and Officers of the Company and of The Equitable Trust Company are the same persons.

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Report to the Shareholders

It is with pleasure that we submit for your information and consideration our Annual Report for 1977, including the consolidated audited financial statements of Equitrust Mortgage and Savings Company (formerly Fidelity Mortgage and Savings Corporation) and its Subsidiaries, The Equitable Trust Company and Fidelity Real Estate Holdings Limited.

CHANGE OF CORPORATE NAME

As Shareholders of our Company you have already received information from us as to the change of our corporate name from Fidelity Mortgage and Savings Corporation to Equitrust Mortgage and Savings Company. On the inside cover of this report there is a special letter from me to our Shareholders referring to such change of name and, inter alia, to the fact that nothing has changed except our corporate name and symbol, and that the ownership, control and operations of our Company continue as in the past and for the future, namely, we are an independently owned and controlled Canadian business and no change in control has taken place since incorporation and none is planned or expected. The directors and management of our Company have great faith in its future and have every intention of continuing together as in the past.

RESULTS OF OPERATIONS AND NET INCOME

During the first half of the year we experienced excellent growth in our mortgage commitments and advances. However, during the final six months of the year we were affected, as were other companies in our industry, by a slowdown in mortgage advances as well as a slackening in mortgage borrowing. No doubt, these factors arose to a great extent from the overbuilding of new homes and a reduction in house sales. In the result, during the final half of 1977 we experienced a definite slowdown in the growth of our mortgage portfolio and this has continued into 1978. Notwithstanding, our mortgage portfolio did in fact increase by approximately 22% for the year and made a solid contribution to our profits.

After deducting all normal expenses and costs (including depreciation and amortization) our consolidated operating income, before income taxes for the year, amounted to $904,660 which compares with $728,800 for 1976, an increase of approximately 24% for the year. Deductions for income tax ($275,300), minority interest in the Equitable Trust Company ($1,050) and net loss on sales of investments ($2,175), provided a net income for the year of $626,135, which compares with $459,953 for 1976. Provision for the Preference Share Dividend for the year resulted in $426,135 available for Common Shares which compares with $318,288 for 1976, an increase of approximately 34% for the year.

ASSET GROWTH

Our assets as at 31st December 1977 (not including estates, trusts and agencies) amounted to approximately $126.2 million, which represents a satisfactory increase of approximately 20% for the year. Total assets, including estates, trusts and agencies, showed a 22% increase to approximately $160.4 million (31st December 1976—$131.8 million).

ANALYSES OF INVESTMENTS AND DEBENTURE AND GUARANTEED INVESTMENT CERTIFICATE MATURITIES

As in previous years and in accordance with our established policy, our Annual Report again contains analyses of our investments and debenture and guaranteed investment certificate maturities prepared and reported upon by our auditors. These audited analyses are set forth in detail on pages 11 to 13 of this report.

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DEPOSITS, DEBENTURES AND GUARANTEED INVESTMENT CERTIFICATES

Demand and short term deposits by the public increased during the year by approximately 26% to $37.4 million (1976 - $29.6 million) and the amount of our outstanding debentures and guaranteed investment certificates increased approximately 17% to $78.4 million. Taken together, our borrowings by way of deposits, debentures and G.I.C.'s during the year increased approximately 20% to $115.8 million (1976 - $96.4 million).

MORTGAGE PORTFOLIO

Our mortgage portfolio showed a net increase for the year of approximately 22% and continues in excellent condition. Interest rates decreased during the first six months of the year and generally stabilized for the balance of the year. It appears that interest rates will continue at approximately the same level for at least the first quarter of 1978, but thereafter it is almost anyone's guess as to which way rates will go. Our guess is that there will be too much money chasing too few mortgages, which in such a situation taken by itself, should lead to lower mortgage rates. There are however other factors outside the mortgage industry which point to rising interest rates during the 2nd and 3rd quarters and possibly for the balance of the year. In this report last year, we stated that there were indications, at least in North America, that interest rates might be at the start of a gradual long term decline as indicated by long term interest rate charts. During the year a number of factors appeared which confirm such indications and there are still many signs which indicate that a long term of downward trend in interest rates probably exists.

A five year comparative percentage breakdown of our mortgage portfolio with respect to class of security and aggregate loan amounts, numbers of loans, average sizes of loans and portfolio yield is set forth in the box below.

MORTGAGE PORTFOLIO ANALYSIS

	Single Family Dwellings	Multiple Dwellings	Commercial & Industrial	Total
	%	%	%	%
1973	62.4	27.8	9.8	100.0
1974	61.4	29.1	9.5	100.0
1975	59.0	29.1	11.9	100.0
1976	59.8	27.4	12.8	100.0
1977	55.6	28.8	15.6	100.0

	Number of Loans	Average size of Loans	Portfolio Yield
		$	%
1973	2,119	26,257	9.49
1974	2,190	29,503	9.81
1975	2,149	32,932	10.08
1976	2,208	36,030	10.58
1977	2,326	41,783	10.61

INVESTMENTS IN SECURITIES

You will note that our securities investment portfolio increased in all categories, bonds ($1.9 million to $2.6 million) short term notes ($2.3 million to $5 million) and stocks ($3.3 million to $5.7 million). The increase in our stocks resulted from an increased investment in preference shares of leading Canadian corporations. These investments favourably affect our profits. Furthermore, the market value of our preference share portfolio has increased by approximately 8% over cost. I can assure you that such preference shares have been selected with great care by our investment committee and directors.

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RESULTS OF THE EQUITABLE TRUST COMPANY FOR 1977

We are pleased to report that the operations of The Equitable Trust Company for 1977 again provided an increased operating income before taxes ($269,054 for 1977 compared to $264,936 for 1976) and an increased net income after taxes and all other charges ($141,854 for 1977 compared to $130,468 for 1976). These results are included in our consolidated financial statements.

Commencing in the Fall of 1976 we reorganized our trust operations in The Equitable Trust Company under the management of Charles Andrew Gunn who joined our Company at that time as Assistant General Manager, Trust and Personal Services. We are pleased to report that there was in 1977 a marked increase in Equitable's business activity, administration and growth and we expect this will provide an increasing contribution to Equitable's profits.

BRANCH EXPANSION

Arrangements were completed in the late Fall of 1977 for the opening of a new branch in Cambridge. An office has been leased at an excellent location and we expect to be open for business this month. Mr. James A. Scott has been appointed manager of the branch and has taken up residence in Cambridge. Mr. Scott has 10 years experience and background in the trust and mortgage industry, latterly, as manager of an office of a major trust company.

Plans are developing for further expansion in Hamilton and arrangements for an excellent branch location on the Hamilton Mountain are in process. If matters progress as expected, that office will be open for business before the end of this year.

Additional areas in which we expect to establish branches over the next few years are being designated and suitable locations are being sought therein. We are aware that new branches are relatively expensive for a company of our size. I can assure you that our expansion plans are tempered with this knowledge and we plan that the time between new branch openings will be satisfactorily spaced so as to provide an orderly and sensible growth pattern.

SENIOR MANAGEMENT

Last year in this report we formally announced promotions to our Senior Management personnel and mentioned that in the opinion of our directors we had assembled an excellent management group. It is a pleasure to reaffirm that opinion, and to express to them our compliments for their contribution to the success of our operations during the past year.

EQUITABLE TRUST TOWER

We are pleased to report that full tenancy occupancy of our office tower has continued. In addition, the results for 1977 have provided a reasonable profit from its operation, and we and our partner in this investment, Henry Birks & Sons Limited, are pleased to report that our joint investment is continuing as an eminently satisfactory one.

FIDELITY REAL ESTATE HOLDINGS LIMITED

Fidelity Real Estate Holdings' activities during the year were very limited. The lands which that Company holds together with another investor in the Burlington area are expected to be developed during 1978. The plans which we had for such a development in 1977 did not reach fruition but we expect they will during 1978.

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DIVIDENDS

The Directors authorized an increase of one-half cent per share in respect of the regular quarterly dividend payable in January of this year. It is planned that this will be continued for this year's three remaining quarterly dividends. It appears that the Anti-Inflation Board will in fact dismember itself in 1978 which will enable reasonable future increases in our dividends.

OUTLOOK FOR 1978

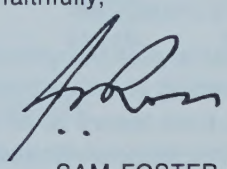
In our report last year we referred to the fact that our policy had been to encourage our excellent management group and executives to use ample authority and discretionary power within the positions which they hold in our Company's operations. We are pleased to report that senior management followed our suggestions which no doubt had a considerable effect on the favourable results which showed in our increased assets and profits for the year. We feel this policy will continue to benefit our Company in the years ahead. 1978 will be a difficult year in the mortgage and real estate fields and will call upon hard work and ingenuity by our personnel. The continuing large inventory of unsold homes together with rising prices and high unemployment will no doubt adversely affect the mortgage market and it might well be necessary for mortgage and other investment companies to turn to other sources of investments in order to maintain revenues. At present however, we are of the firm opinion that, for many years, mortgages will continue to be by far the largest portion of our investments.

Notwithstanding the aforesaid problems, we feel that a superior performance by our management group will provide a satisfactory increase in our mortgage portfolio and in our profits for the year.

In our report last year I stated, "It is only fit and proper that mention be made of the problems which exist as a result of the recent Quebec Provincial Election and the proposals for separation resulting therefrom. The need of our nation, Canada, for strong sensible and just leadership based on an integrity which is believed in, accepted and understood by all Canadians, has never been as great since Confederation." The sentiments of this statement continue today.

In conclusion, I again publicly acknowledge the tireless, faithful and capable assistance and effort so cheerfully contributed by all employees of the Company during the past year.

Yours faithfully,



SAM FOSTER ROSS,
President.

On Behalf of the Board,
16th February 1978,
Hamilton, Canada.

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Consolidated Statement of Income

for the year ended December 31, 1977

	1977	1976
INCOME		
Investments—Mortgages and other loans	$ 9,994,490	$ 8,133,056
—Securities (Note 2)	1,226,280	1,204,609
Fees and commissions	113,231	87,144
Other	103,730	148,018
	11,437,731	9,572,827
EXPENSE		
Interest on deposits	8,532,699	7,220,524
Salaries and staff benefits	972,997	819,160
Depreciation and amortization	31,556	28,350
Other	995,819	775,993
	10,533,071	8,844,027
OPERATING INCOME BEFORE INCOME TAXES	904,660	728,800
PROVISION FOR INCOME TAXES		
Current	159,800	129,200
Future	115,500	135,200
	275,300	264,400
NET OPERATING INCOME	629,360	464,400
Net Loss on Sale of Investments after Applicable Income Taxes	2,175	3,483
NET INCOME before minority interest	627,185	460,917
Minority interest in net income of subsidiary	1,050	964
NET INCOME FOR THE YEAR (Note 4)	$ 626,135	$ 459,953

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Consolidated Balance Sheet

ASSETS

	1977	1976
Cash and demand deposits	$ 6,237,808	$ 7,945,095
Securities—at cost		
Bonds (Market: 1977—$2,442,333; 1976—$1,779,101)	2,556,430	1,880,120
Short-term notes	5,009,707	2,325,501
Stocks (Market; 1977—$5,979,500; 1976—$3,443,463)	5,687,110	3,319,624
	13,253,247	7,525,245
Loans		
Demand loans	6,194,848	7,528,794
Mortgages	98,011,879	80,183,389
	104,206,727	87,712,183
Investment in corporate joint venture (Note 2)	828,577	100,200
Investments in real estate— at cost	807,848	875,806
Other assets — at cost	622,722	923,810
Fixed assets—at cost, less accumulated depreciation and amortization	264,627	228,895
	$126,221,556	$105,311,234

We hereby certify that to the best of our knowledge and belief the consolidated balance sheet at December 31, 1977 and the accompanying consolidated statements of income, general reserve and retained earning for the year then ended are correct and show truly and clearly the financial condition of the companies' affairs and the results of their operations.

S. F. ROSS — President
W. V. HOLTON — Vice-President
H. S. HENDRIE — Secretary
} Directors

as at December 31, 1977

LIABILITIES

	1977	1976
Deposits		
Demand	$ 22,580,337	$ 18,030,799
Deposit receipts	14,852,638	11,568,123
Debentures and Guaranteed Investment Certificates	78,359,744	66,757,466
	115,792,719	96,356,388
Other liabilities		
Unadvanced portions of mortgages	2,453,800	1,425,963
Income taxes payable	29,032	74,825
Other	715,106	599,665
	3,197,938	2,100,453
Minority interest in net assets of consolidated subsidiary	11,460	10,410
Provision for future income taxes	731,231	615,731

SHAREHOLDERS' EQUITY

Capital stock			
Authorized			
200,000	Cumulative, redeemable preference shares with a par value of $25 each		
2,500,000	Common shares with a par value of $4 each		
Issued			
80,000	10% Series A cumulative, redeemable, convertible preference shares (Note 3)	2,000,000	2,000,000
707,143	Common shares	2,828,572	2,828,572
		4,828,572	4,828,572
General reserve		1,500,000	1,250,000
Retained earnings		159,636	149,680
		6,488,208	6,228,252
		$126,221,556	$105,311,234

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the consolidated balance sheet of Equitrust Mortgage and Savings Company (formerly Fidelity Mortgage and Savings Corporation) as at December 31, 1977 and the consolidated statements of income, general reserve and retained earnings for the year then ended and have obtained all the information and explanations we have required. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the company as at December 31, 1977 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

COOPERS & LYBRAND,
Chartered Accountants

Hamilton, January 23, 1977

EquiTrust

Consolidated Statement of General Reserve and Retained Earnings

for the year ended December 31, 1977

GENERAL RESERVE

	1977	1976
Balance—Beginning of year	$ 1,250,000	$ 1,200,000
Appropriation from retained earnings	250,000	155,030
	1,500,000	1,355,030
Cost of issuing preference shares after applicable income taxes	—	105,030
Balance—End of year	$ 1,500,000	$ 1,250,000

RETAINED EARNINGS

Balance—Beginning of year	$ 149,680	$ 141,993
Net income for the year	626,135	459,953
	775,815	601,946
Deduct: Dividends—Preferred	200,000	141,665
Common	166,179	155,571
Appropriation to general reserve	250,000	155,030
	616,179	452,266
Balance—End of year	$ 159,636	$ 149,680

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

These consolidated financial statements include the accounts of the company and its subsidiaries, The Equitable Trust Company which is 99.4% owned and Fidelity Real Estate Holdings Limited which is wholly-owned.

The investment in a corporate joint venture is accounted for on the equity basis.

Fixed Assets

Fixed assets are stated at cost. Depreciation is provided for furniture and fixtures on a straight line basis over a period of eight years. Leasehold improvements are amortized over the remaining terms of the leases.

Other Assets

The company incurs certain charges which benefit more than one period. These amounts are included in other assets and are written off over an appropriate number of periods.

2. INVESTMENT IN CORPORATE JOINT VENTURE

During the year the company invested an additional $725,000 in preference shares of the corporate joint venture.
The company's share of the net income of the corporate joint venture of $37,186 including $33,809 dividends on preference shares, is included with income from securities in the statement of income.

3. PREFERENCE SHARES

The 10% Series A preference shares are redeemable after June 30, 1981 at the par value $25 each plus a premium of $1.50 per share reducing by $.25 per share annually. Each 10% Series A preference share is convertible into 4⅙ common shares to June 1, 1982 and 3⅓ common shares thereafter to June 1, 1986

4. INCOME PER COMMON SHARE

	1977	1976
Basic	$.60	$.45
Fully diluted	$.60	$.44

The income per share figures are calculated using the weighted daily average number of shares outstanding. Basic income per share is calculated after providing for preference share dividends. Fully diluted income per share is calculated assuming all preference shares have been converted to common.

5. GUARANTEED TRUST ACCOUNT

Included in total assets are assets held for the guaranteed trust account of $26,010,034 (1976 — $21,308,395) securing the guaranteed trust liabilities of $26,010,034 (1976 — $21,308,395).

6. LONG-TERM LEASE COMMITMENTS

Minimum annual commitments under leases of a duration of more than five years total $149,934.

7. REMUNERATION OF DIRECTORS AND OFFICERS

The aggregate direct remuneration paid or payable to the directors and officers during the year amounted to $292,858 (1976 — $241,738).

8. DIVIDEND RESTRICTION

The company is subject to and in compliance with the dividend restrictions of the Anti-Inflation Act.

9. CHANGE OF NAME

By an amendment to its Letters Patent dated December 30, 1977 the company changed its name from Fidelity Mortgage and Savings Corporation to Equitrust Mortgage and Savings Company.

10. COMPARATIVE FIGURES

Certain of the 1976 figures have been reclassified to conform with the 1977 financial statement presentation.

EquiTrust

Consolidated Analysis of Investments

as at December 31,1977

CASH AND DEMAND DEPOSITS

Cash on hand and in the bank	$ 1,480,914
Demand deposits with chartered banks	4,756,894
	$ 6,237,808

SECURITIES

BONDS

	Mature in	Par	Market	Cost (including amortization discount)
Government of Canada	1979	$ 250,000	$ 246,000	$ 248,981
	1980	475,000	472,625	474,131
	1982	425,000	440,428	425,000
	1986	25,000	24,375	25,000
	Beyond 1987	300,000	278,375	297,388
		1,475,000	1,461,803	1,470,500
Canadian Provinces	1987	25,000	21,062	24,868
	Beyond 1987	300,000	243,000	299,054
		325,000	264,062	323,922
Canadian Municipalities	1979	5,000	4,825	4,956
	1985	10,000	8,538	9,189
		15,000	13,363	14,145
Canadian Corporations	1987	50,000	42,500	49,766
	Beyond 1987	650,000	612,125	649,617
		700,000	654,625	699,383
		2,515,000	2,393,853	2,507,950
Accrued interest		48,480	48,480	48,480
		$2,563,480	$2,442,333	$2,556,430

SHORT-TERM NOTES

Short-term notes of Canadian Corporations and Financial Institutions	
— Due January 5, 1978	$ 501,400
— Due January 23, 1978	987,220
— Due February 13, 1978	492,460
— Due March 3, 1978	491,730
— Due March 6, 1978	500,000
— Due March 23, 1978	1,501,044
— Due May 5, 1978	466,465
	4,940,319
Accrued interest	69,388
	$5,009,707

STOCKS

	Market	Cost
—Preferred	$ 5,349,338	$ 5,056,499
—Common	566,000	566,449
	5,915,338	5,622,948
Accrued dividends	64,162	64,162
	$5,979,500	$5,687,110

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Consolidated Analysis of Investments (continued)

as at December 31, 1977

LOANS

DEMAND LOANS

Secured Loans and Advances to Customers *	$6,136,384
Accrued interest	58,464
	$6,194,848

* As at December 31, 1977 there were four loans aggregating $31,730 in default. These loans were partially secured by $25,000 of Equitrust debentures. Principal and interest payments on all other loans have been made as agreed upon.

MORTGAGES

PRINCIPAL BALANCE AND YIELD

2,326 loans with an average yield of 10.61% (December 31, 1976 — 10.58%)	$97,187,404
Accrued interest	824,475
	$98,011,879

MATURITIES

	Amount	Percentage
1978	$23,541,629	24.2
1979	18,211,830	18.8
1980	12,960,248	13.3
1981	14,568,404	15.0
1982	27,037,203	27.8
1983-1987	177,503	.2
Beyond 1987	690,587	.7
	$97,187.404	100.0

CLASS OF SECURITY

	Number of loans	Amount	Percentage
Single Family Dwellings			
Under $10,000	172	$ 1,229,044	1.3
Between $10,000 - $20,000	553	8,565,356	8.8
Between $20,000 - $40,000	1021	29,697,042	30.6
Over $40,000	282	14,482,537	14.9
	2028	$53,973,979	55.6
Multiple Dwellings			
Under $50,000	33	1,370,034	1.4
Between $50,000 - $100,000	42	2,959,602	3.0
Between $100,000 - $200,000	26	3,723,192	3.8
Over $200,000	54	20,019,987	20.6
	155	$28,072,815	28.8
Commercial and Industrial			
Under $50,000	52	1,556,552	1.6
Between $50,000 - $100,000	51	3,489,391	3.6
Between $100,000 - $200,000	24	3,442,271	3.5
Over $200,000	16	6,652,396	6.9
	143	15,140,610	15.6
	2,326	$97,187,404	100.0

Average loan amount — $41,783

EquiTrust

Consolidated Analysis of Investments (continued)

as at December 31, 1977

GEOGRAPHICAL LOCATION	Number of Loans	Amount
Hamilton and area	844	$32,240,901
Brantford and area	339	11,026,450
Burlington and area	255	10,558,072
Guelph and area	214	10,279,118
Niagara Peninsula and area	164	7,203,485
Brampton - Oakville and area	128	6,766,049
Toronto and area	228	11,721,905
Georgian Bay and area	76	2,098,140
Simcoe and area	37	1,811,688
Caledonia and area	38	2,214,819
London and area	3	1,266,777
	2,326	$97,187,404

UNADVANCED PORTIONS OF LOANS

The aggregate sum of $2,453,800 remains to be advanced in respect of fifty-five loans.

OUTSTANDING LOAN COMMITMENTS

A total of one hundred and thirty-four loans having an aggregate principal amount of $6,464,380 have been committed by the Companies on which no funds have been advanced.

ADMINISTRATION

Method of Payment

Substantially all loans are repayable by combined monthly payments of principal, interest and taxes. The principal payments are based on fifteen to thirty year amortization plans, except for one loan which is amortized over thirty-five years.

Taxes

As at January 31, 1978, all taxes billed to cover taxes due up to and including December 31, 1977 have been paid on all properties secured by the loans.

Delinquencies

There is one mortgage under power of sale action.

As at January 31, 1978 all mortgage payments due up to and including December 31, 1977 have been received except for payments aggregating $28,754 in respect of twelve mortgages, including the mortgage under power of sale action.

ANALYSIS OF DEBENTURE AND GUARANTEED INVESTMENT CERTIFICATE MATURITIES

	Amount	Percentage
1978	$19,202,426	26.2
1979	12,662,518	17.2
1980	10,474,635	14.3
1981	13,973,996	19.0
1982	17,081,140	23.3
Beyond 1982	531	—
	73,395,246	100.0
	4,964,498	
	$78,359,744	

AUDITOR'S REPORT

In our opinion, the foregoing analysis of investments and debenture and guaranteed investment certificate maturities are properly drawn up so as to present fairly the state of the Companies' investments and debenture and guaranteed investment certificate maturities as at December 31, 1977

Hamilton, January 31, 1977

COOPERS & LYBRAND,
Chartered Accountants

EquiTrust

Offices

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Mrs. D. C. Dixon, Manager

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Charles V. Baker, Manager

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28 Market Street at Dalhousie
O. Risebrough, Manager

CAMBRIDGE:
89 Main Street
James A. Scott, Manager

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